Security Information

31 October 1952

MENDRANDUM FOR: Consrel Counsel

TITOUCH

Tepaty Elrector/Administration

PROME

Assistant lirector/Fer somel

Still KI:

Exemption of CLA from Performance mating Act of 1950.

- 1. The Performance Sating Act of 1950 (P.L. 873, Slet Congress) requires rederal agarcies - except those specifically exampled -- to establish one or more performance rating programs for evaluating the work performance of employees. In addition, the Act (Sec. L) stipulates that "no officer or employee of any department shall be given a performance rating, respectors of the name given to such rating, and no such rating shall be used as a basis for any action, except under a performance rating plan approved by the Civil tervice Commission as conforming with the requirements of this Act. " These provisions of P.L. 873 became effective on 30 December 1950.
- 2. Uniformly, the Personnel Office has maintained that certain provisions of the Performance sating Act could not be narmonized with the security obligations of CIA. These conflicting issues were reviewed in a memorandum addressed to your office by the Personnel Lirector on 29 Recember 1950 (Teb A); the conclusion stated in that memorandum was that "for the reasons outlined ... it is strongly recognended that appropriate action be initiated without delay to have ClA exempted from the requirements of the Act." Again, on 1 May 1951, the Personnel Lirector in a memorandum to the BT/A, reporting on the unsuccessful results of this Agency's regotistions with the Civil Cervice Commission noted that "Irasmuch as it has not been possible to reach any natually setisfactory compromise ... it is the recommendation of this office that exception of (I) from P.L. 873 be obtained ... "
- 3. The Career Service Committee in Scholar 1991 formed a working Group to explore the problem of developing a cystem of employee appraisal which could be integrated into the Agency's Coreer Service Program. Even before the Working Croup began functioning the Assistant Director for Personnel, then also Chairman of the Career ervice Consittee, stated by sessorences to the 13/A that "The Coreer Lervice Consittee has exemined the possible efforts of compliance with the Act (F.L. 673) by CIA. Consequently, it is recommended that immediate action be taken by CIA to request the Congress for exemption from the Act. Although this legislation should be introduced ismediately, it is probable that first action would not be forthcoming until June of 1952." This conclusion was reached by the Garcer Service Cosmittee subsequent to a meeting between representatives of the General Counsel and the Personnel Office, at which time agreement was reached upon the course of action. (Tab B).

Approved For Release 2001/07/28 : CIA-RDP 10-03578A000700010020-3

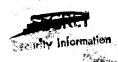
Security 1

4. The working Group on employee evaluation was instructed by the Cereer Service Committee to devise a plan of employee apprecial responsive to the Agency's requirements. As the working group neared completion of its project (Jamery 1962), the forecasel office called to your attention its concars that the proposed system differed in certain fundamentals from the criterie established under F.L. 873. It was the feeling of this office that ecoption of the new system proposed by the borking Group should be contingent upon congressional action to except CIA free P.L. 873, or upon strong evidence that such Congressional action was insinent.

- 5. It is my understanding that in Merch 1992 your office forwarded to the UT/A the results of your re-exemination of the problem of whether CLA exemption from F.L. 873 should be sought. At that time you proposed that support be requested from the Civil Service Commissioners "for an approach to the lureau of the Budget and Congress through appropriete committees to seek a specific exemption ... hortly thereafter the Perconnel Arector and the Legislative Counsel of CTA discussed the problem with hr. Joseph Minslow, Legislative Representative of the Civil Service Commission. That official agreed to lend the Commission's support to such request for exemption when presented to the Congress.
- 6. Resembile, the ICI on 13 June 1952 pave official approval to the newly developed Personnel Evaluation Progress, incorporated into the final report of the Gereer Service Committee. Regulations for administering the very arrange was and on 1 August 1952 (CIA Regulation actual functioning of this progrem the lar ecvences, and many the employees are being evaluated, or have already been avaluated, pursuant to the regulations and instructions cited in this paragraph.
- 7. From a review of the foregoing, it is apparent that the CIA has adopted a position which is explicitly promibited by the terms of P.L. 873 (persgraph 1, above). Since the emetions of the Performance sating Act, the Personnel Office has consistently expressed the opinion that the igency should extricate itself from a difficult situation; on the one hand it was clear to us that the requirements of the Act could not be rationalized to fit security requirements; on the other hard this Agency failed to obtain exception from the Act at the time of its passage, although a number of other approces were excepted, including one in the national security category, i.e., the Atomic Sherry Commission.
- 6. This office is apprehensive that employee appeals from adverse administrative actions (e.g., involuntary separations) resulting from unfavorable evaluations suce under the Agency evaluation system may well force upon the Civil Cervice Cosmission an exemination of this Apency's non-compliance with the mendatory provisions of the Performance lating Act. to believe that the problem is accorduated by the very considerable time lapse since enactment of P.L. 873, during which no approach has been made to the Congress. It would appear to as that against this long delay

25X1A

- Approved For Release 2001/07/28 : CIA-RDP78-03578A000700010020-3



our failure to install a system meeting the requirements of P.L. 873 might at the very least invite very strong orbitions on the part of the Cormission and other Federal regulatory todies. It is felt, therefore, that it is a setter of very great importance that, without further delay, a logislative proposal be made to obtain Agency exception, and that all possible resources be employed to insure the success of this effort.

25X1A

Attechments.

25X1A

DPD, bks (31 October 1952)

Distribution:

Original & 1 - General Counsel

A/DD/A

ID/A

AD/P Chrono

Personnel Director

RPS

CDS

